



Irish Life Weekly Investment Bulletin

The week that was – WEEK 41 (ending 07/10/2016)

“We don't stop playing because we grow old; we grow old because we stop playing.”
- George Bernard Shaw

Irish Live Register below 300,000 for the first time since 2008 – According to new data released by the Central Statistics Office (CSO), 286,490 people are signing on, a year on year decline of 13.92% and its lowest level since December 2008, when it stood at 293,100. The long term unemployed decline was 16.6%.

U.S. September employment report somewhat weaker than expected – Nonfarm payrolls rose 156,000 and unemployment to 5%. The job figures came in below expectations but were still viewed as strong enough for the Federal Reserve to consider increasing interest rates in December, with an expected 0.25% rise.

Global stock market flat on the week – The World stock market (MSCI AC World) had a 0.03% return from 30th September to 7th October amid an underwhelming U.S. employment report for September. Volatility, as measured by the Chicago Board Options Exchange Volatility Index (VIX), was also nearly unchanged at 13.4.

ECB dismisses QE reduction speculation – Bloomberg News had reported that the European Central Bank would begin to taper its quantitative easing program. The ECB dismissed the report and the subsequent release of the minutes of the last Governing Council meeting showed no such discussion had taken place.

British pound hits 3-year low against the euro – The British currency fell the most last week since the vote to leave the European Union in June, hitting three-year lows against the euro and 31-year lows against the dollar amid worries about a potential 'hard' Brexit. The falls were also blamed on 'fat fingers' and algorithms.

OECD reports global inflation at its lowest since 2009 – The Organization for Economic Cooperation and Development reported that inflation for the Group of 20 nations - which accounts for 85% of estimated global economic output - fell to 2.1% in August from 2.2% in July. This is the lowest level since October 2009.

The Story of the week: There is a creepy clown craze sweeping Canada and America, but now also the U.K. The activities reported range from creepy characters dressed in clown outfits frightening people in passing cars to more sinister incidents. The rise of the phenomenon has been boosted in no small part by a Facebook page which shares photos and videos of the scary sightings. The incidents continue to divide opinion across the world with some calling them harmless pranks while others have branded them a menace.

DISCLOSURE: Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland. While Irish Life Investment Managers uses reasonable efforts to ensure that the information contained in this document is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. Irish Life Investment Managers therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information contained in this document. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment, or subscribe to any investment management or advisory service. The performance shown represents past performance and does not guarantee future results. Past performance is not indicative of future results.

Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 07/10)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-11.7
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	16.6
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-5.7
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	7.2
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	5.7
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-11.4
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	10.8
MSCI AC World	-8.5	13.2	22.9	7.2	-0.7	3.0
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
U.S.	1.9	1.7	3.0	2.2	2.2	1.7
German	1.8	1.4	1.9	0.5	0.6	0.0
UK	2.0	1.9	3.0	1.9	1.9	1.0
Japan	1.0	0.7	0.7	0.3	0.2	-0.1
Ireland	8.4	4.5	3.4	1.3	1.1	0.5
Italy	7.1	4.6	4.1	2.1	1.6	1.4
Greece	31.7	12.7	8.2	9.6	7.9	8.1
Portugal	13.4	6.9	6.1	2.7	2.5	3.4
Spain	5.1	5.4	4.1	1.6	1.7	1.0
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/€)	1.30	1.31	1.37	1.21	1.09	1.12
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.90
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.24
IPD All Property Return (%)	2011	2012	2013	2014	2015	2016
Ireland	-2.4	3.1	12.7	40.1	25.0	6.3 (to end of Q2)
U.K.	8.1	2.7	10.7	17.8	13.1	2.5 (to end of Q2)
U.S.	14.5	5.3	11.4	11.2	12.1	4.1 (to end of Q2)

*Past performance is not a reliable guide to future performance